

**New Program Proposal
Professional Master of Real Estate Development
Clemson University**

Summary

Clemson University requests approval to offer a program leading to the Professional Master of Real Estate degree (M.R.E.D.), to be implemented in May 2004.

The Clemson Board of Trustees approved the proposal on October 25, 2002. The proposal was submitted for Commission review on February 11, 2004. The proposal was reviewed without substantive comment and voted upon favorably by the Advisory Committee on Academic Programs at its meeting on March 31, 2004.

The purpose of the program is to provide an educational opportunity for encouraging future development entrepreneurs to produce exciting, quality projects respecting environmental sustainability, social consciousness, design excellence, and financial feasibility with the risk-reward framework.” The program is a collaborative endeavor among six departments in the College of Architecture, Arts, and Humanities and the College of Business and Behavioral Science. The goal of the proposed program is to educate the future leaders in land development who have the requisite skills to understand the economic and environmental ramifications of real estate at both the local and national level.

The need for the proposed project is based on the projected job and population growth of South Carolina and the nation. Projections indicate that in the next four years, S.C. will have 1.1 million new residents who will require an additional 743,000 additional housing units, 44 million more square feet of retail space, 20 million more square feet of office space, 66 million more square feet of industrial space, and 23,000 more hotel rooms. As the State’s land grant college, Clemson indicates in the proposal that the institution should be actively involved in training, research and service in this important economic development area.

The curriculum consists of 54 to 60 credit hours. The minimum requirement is 54 credit hours and is for those students who have related undergraduate degrees and/or coursework. Students without these credentials will be required to complete an additional six credit hours. Fifteen new courses will be required for the program. The curriculum will be interdisciplinary in nature and will offer both finance and planning components. There is no other such offering in the state. The proposal indicates that USC’s Moore School of Business’s Strategic Plan does not identify a similar program as

a need for that institution. USC's South Carolina Real Estate Center has provided a letter of support for the proposed program at the Planning Summary stage. There are few programs of this kind nationally (approximately ten). Clemson used as its curriculum model the programs at Cornell, University of Southern California, Texas A&M, MIT, and Johns Hopkins.

Clemson indicates that there will be two new faculty and three new instructors hired to support the program in its first two years. Faculty serving the program will begin at six headcount (2.25 FTE) in FY 2004-05 and will increase to 14 headcount (4.75 FTE) in FY 2008-09.

Enrollment in the proposed program is estimated to begin at five headcount students (6.3 FTE) in FY 2004-05 and increase to 15 headcount students (18.8 FTE) in 2006-7, and remain at that level for the full five years of the program. Estimates are based on the enrollments at similar programs nationally. In addition, Clemson will market the proposed program to recent graduates of particular undergraduate and graduate degree programs across the nation. From such similar marketing programs, Clemson is able to estimate the number of students who will typically enroll in their graduate programs. If enrollment projections are met, the program will meet the current CHE program productivity standards.

The proposed program will use the current classrooms, laboratories, equipment, and library facilities. The proposal provides both a quantitative and qualitative analysis of the library holdings to support the program. Comparisons were made against the holdings at Cornell and University of Southern California (USC) which have similar programs. The results showed Clemson lagging both institutions in holdings. Clemson compared favorably with the holdings of USC except in the areas of sustainable development and city planning. Clemson will address the deficiencies in holdings with an allocation of \$5,400 per year. Periodical holdings will be enhanced with \$400 per year in continuing funds.

The program is not subject to any specialized accreditation, approval, or licensure.

Shown below are the estimated Mission Resource Requirement (MRR) costs to the state and new costs not funded by the MRR associated with implementation of the proposed program for its first five years. Also shown are the estimated revenues projected under the MRR and the Resource Allocation Plan as well as student tuition.

Year	Estimated MRR Cost for Proposed Program	Extraordinary (Non-MRR) Costs for Proposed Program	Total Costs	State Appropriation	Tuition	Total Revenue
2004-05	\$80,269	\$80,269		\$0	66,008	\$66,008
2005-06	160,538	160,538		20,185	133,470	153,655
2006-07	240,806	240,806		40,563	200,202	240,764
2007-08	240,806	240,806		61,189	200,202	261,391
2008-09	240,806	240,806		61,189	200,202	261,391

These data demonstrate that if Clemson University can meet the projected student enrollments and contain costs as they are shown in the proposal, the program will be able to cover new costs with revenues it generates by the fourth year of its implementation.

In summary, Clemson University is proposing to offer a professional masters degree in Real Estate Development that will provide students with the skill and knowledge that will be required to develop land in the 21st century. Students will graduate from this program with an understanding of the economic and environmental impact of land development. Graduates of the program will be able to find employment in the expanding job market as the state continues on its path of economic and population growth.

Recommendation

The Committee on Academic Affairs and Licensing recommends that the Commission approve Clemson's proposed program leading to the Professional Master of Real Estate Development degree for implementation in May 2004, provided that no "unique cost" or other special state funding be required or requested.